



650 California Street, 12th Floor • San Francisco, CA 94108

January 22, 2019

Department of Business Oversight, Legal Division
Attn: Mark Dyer, Regulations Coordinator
1515 K Street, Suite 200
Sacramento, California 95814-4052

RE: PRO 01-18 – Comments on Proposed Rulemaking Commercial Financing Disclosures

Commissioner Owen:

Affirm, Inc. (Affirm) is pleased to submit the following comments in response to the California Department of Business Oversight's (DBO) invitation for comments on SB 1235 and the commercial financing disclosures proposed rulemaking.

Affirm is a financial technology company that partners with Cross River Bank, a New Jersey State Chartered Commercial Bank, member FDIC, to provide point-of-sale installment finance solutions at a variety of retailers from sectors including furniture and homewares, apparel, consumer electronics, and travel. Loans made by Cross River through the Affirm platform are closed-end installment loans with simple, daily accruing interest, APRs between 0-30%, and no fees charged to the consumer.

While the Affirm platform is currently available to consumers for personal, family, or household purposes, we may expand the offering of simple interest, closed-end installment loans to consumers for commercial purposes (e.g., if a consumer business owner wishes to finance a purchase from a retailer to be used for business purposes). As such, we request the DBO consider including in its rulemaking that compliance with the federal Truth in Lending Act and Regulation Z disclosure requirements used for consumer transactions be compliant with the SB 1235 commercial financing disclosure requirement for closed-end, simple interest installment loans made for commercial instead of personal purposes.

We believe the federal TIL and APR disclosure requirements are appropriate for such products when only the consumer stated purpose has changed. In addition, the federal TIL and APR disclosures appropriately disclose the relevant terms required by SB 1235 for such closed-end installment products. Therefore, we respectfully request the DBO provide, at least as an option, compliance with the federal Truth in Lending Act and Regulation Z disclosure requirements for simple interest, closed-end installment loans that are used for commercial purposes.

We appreciate the opportunity to comment and would welcome any questions or ongoing discussion regarding our comments.

Very truly yours,

AFFIRM, INC.

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